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MONTANA PUBLIC SERVICE COMMISSION

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## **Public Service Commission moves to sue utility companies for unauthorized sale and transfer of Missoula water system**

**HELENA, Mont. – January 29, 2016** – The Montana Public Service Commission moved Friday to file a complaint in Montana District Court to levy fines against Mountain Water Co., and their new parent company Liberty Utilities, for the unauthorized sale and transfer of the Missoula water system.

Following a work session Friday afternoon that included discussion of comments submitted by parties involved in the sale proceeding before the PSC, the Commission voted 5-0 to take legal action against Mountain Water and Liberty Utilities. The Commission cited its authority under Montana law, and a previous PSC order as justification for the legal action.

Additionally, the Commission opened a proceeding to consider changes to Mountain Water's rates based on changes in ownership, which could likely lead to a rate reduction for Mountain Water customers.

Commissioner Bob Lake, R-Hamilton, whose district includes the city of Missoula, said,

"I'm disappointed that Liberty and Carlyle chose to circumvent the PSC's process put in place to ensure that consumers aren't harmed when a utility changes hands. It's very unfortunate that the PSC was unable to review the purchase application through the proper procedure, but the Commission's actions today aim to

ensure that the customers of Mountain Water are not harmed while the utility remains under private ownership.”

“We want to make it clear that the Montana Public Service Commission will not allow companies to move forward with sales and transfers of this nature without our approval, avoiding the appropriate scrutiny intended to protect consumers,” said PSC Chairman Brad Johnson, R-East Helena. “I believe that Liberty’s actions are a direct attack on the Commission’s authority to review this purchase application, and that, frankly, is unacceptable. Those really harmed by Liberty’s actions are the customers of Mountain Water, and we are determined to ensure no further harm comes to these consumers while the water system is under our jurisdiction to regulate.”

The Commission directed PSC staff to consult with the Montana Attorney General’s office to explore other remedies to address the unauthorized sale and transfer of Mountain Water, as well as pursue fines against the companies in Montana District Court.

Pursuant to Montana law, if a public utility commits a violation, it is subject to penalties not less than \$100 or more than \$1000 per violation. Such fines shall be recovered in a civil action initiated by the Commission.

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